

VELAN HOTELS LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 & Schedule A]

1. PREFACE

This Code is made pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. OBJECTIVE

The objective of this Code is to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

3. PRACTICES AND PROCEDURES

The following Principles of Fair Disclosure for the purposes of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" shall be strictly followed by the Company (Velan Hotels Limited) with effect from 01st April, 2019.

- a. The Company shall promptly disclose to the public "unpublished price sensitive information" (UPSI) that would impact price discovery, no sooner than such credible & concrete information comes into being.
- b. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- c. The Company shall uniformly & universally disseminate information (UPSI) and avoid selective disclosure.
- d. The Company shall promptly disseminate UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available to all/public.
- e. The Company shall render appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities, if any.

- f. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on its official website, in order to ensure official confirmation and documentation of disclosures made.
- g. The Company shall handle all UPSI on a need-to-know basis.

4. LEGITIMATE PURPOSE

The Unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes as per its "Policy for determination of Legitimate Purposes" (**Annexure A**), provided it is not shared to evade or circumvent the prohibition under this Regulation.

5. LEAK/SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has formulated written policy for initiating appropriate inquiries on becoming aware of leak/suspected leak of unpublished price sensitive information (**Annexure B**).

6. CODE OF CONDUCT

The Company shall adhere to the prescribed standards for code of conduct to regulate, monitor and report trading by insiders, designated employees and all other applicable persons and entities.

7. CHIEF INVESTOR RELATIONS OFFICER

The Company Secretary / Compliance Officer of the Company has been designated / called as "Chief Investor Relations Officer" to deal with dissemination of information and disclosure of unpublished price sensitive information.

8. APPROVED AND ADOPTED

This Policy has been approved and adopted by the Board on Monday, March 25, 2019.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

1. PREFACE

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities.

3. DEFINITION

a) "**Legitimate Purposes**" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners
13. Any other person with whom UPSI is shared

b) "Insider"- Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

4. DIGITAL DATABASE

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

5. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The Board of Directors shall require the parties to execute agreements (**Annexure-E**) to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information

6. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

7. APPROVED AND ADOPTED

This Policy has been approved and adopted by the Board on Monday, March 25, 2019.

POLICY FOR PROCEDURE OF INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI")

[Under Regulation 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

1. BACKGROUND

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 has mandated every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries. In this regard, Board of Directors of Velan Hotels Limited has laid down this policy for procedure of inquiry in case of leak of Unpublished Price Sensitive Information ('the policy'), for adoption.

2. OBJECTIVES

- a. To strengthen the internal control system to prevent leak of UPSI.
- b. To restrict and prohibit the practice of sharing of UPSI, with the un-authorized person, which originates from within the company and which affects the market price of the Company as well as loss of reputation and investors' / financiers' confidence in the company.
- c. To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee(s) & Designated Persons with any person, firm, Company or Body Corporate.
- d. To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and inform the same to the Securities and Exchange Board of India ("SEBI") promptly.
- e. To penalize any Insider, Employee & Designated Persons who appears to have found guilty of violating this policy.

3. SCOPE

The Company endeavors to preserve the confidentiality of un-published price sensitive information (UPSI) and to prevent misuse of such information. The Company shall strive to restrict and prohibit the practice of sharing of UPSI which originates from within the company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person(s) with any un-authorized person which affects the market price of the Company as well as causes loss of reputation and investors' / financiers' confidence in the Company.

4. DEFINITIONS

(i) Chief Investor Relation Officer ("CIO") shall mean the Compliance Officer of the Company appointed by the Board of Director under Securities and Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(ii) Leak of UPSI shall mean communication of information which is / shall be UPSI by any Insider, Employee & Designated Persons or any other known or unknown person to any person other than a person(s) authorized by the Board after following the due process prescribed in this behalf in the Code of Practices Fair Disclosure of the Company and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

(iii) Support Staff shall include IT staff or secretarial staffs who have access to unpublished price sensitive information.

(iv) Un-published Price Sensitive Information ("UPSI") shall mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following:

- a. Periodical financial results of the Company;
- b. Intended declaration of dividends (Interim and Final);
- c. Change in capital structure i.e. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares;
- d. Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, disposals, spin off or selling division of whole or substantially whole of the undertaking and expansion of business and such other transactions;
- e. Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- f. Changes in key managerial personnel;
- g. Material events in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- h. Any other matter as may be prescribed under the Listing Regulations and/or Corporate Law to be price sensitive, from time to time.

5. DUTIES OF CHIEF INVESTOR RELATIONS OFFICER

The CIO shall be responsible to;

- (i) Oversee the Compliance of this policy.
- (ii) Report the incident of actual or suspected leak of UPSI to the Securities and Exchange Board of India.

- (iii) Intimate the incident of actual or suspected leak of UPSI to the Stock Exchanges.
- (iv) To co-ordinate with and disclose the relevant facts of the incident of actual or suspected leak of UPSI to the Enquiry committee.

6. DISCLOSURE OF ACTUAL OF SUSPECTED LEAK OF UPSI TO STOCK EXCHANGES:

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that the same shall be promptly intimated to the Stock Exchange on which the securities of the Company are listed in the format as set out in "Annexure C" to this policy.

7. REPORT OF ACTUAL OF SUSPECTED LEAK OF UPSI TO SEBI

On becoming aware of actual or suspected leak of Unpublished Price Sensitive Information of the Company, the CIO shall ensure that a report on such actual or suspect leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI in the format as set out in "Annexure D" to this policy.

8. CONSTITUTION OF ENQUIRY COMMITTEE

The Stakeholders Relationship Committee shall constitute a committee to be called as "Enquiry Committee" as and when required. The Enquiry Committee shall consist of minimum 3 (three) Members which shall include Managing Director, Chief Financial Officer and Chief Investor Relation Officer and any other officer of the Company as may be mutually decided by the members of the Committee.

9. DUTIES OF ENQUIRY COMMITTEE:

The Enquiry Committee shall be responsible-:

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any; and
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action thereon.

10. PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

On becoming aware of suo moto or otherwise, of actual or suspected leak of Unpublished Price Sensitive Information of the Company by any promoter, director, key managerial person, Insider, employee, designated person, support staff or any other known or un-know person, the CIO after informing the same to the Managing Director or Chief Financial Officer of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure-:

(a) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to embark on any disciplinary action.

The Enquiry Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

(b) Report of Preliminary Enquiry to the Enquiry Committee:

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI submit his/her report to the Enquiry Committee within 7 days from the date of his appointment on this behalf.

(c) Disciplinary Action:

The Disciplinary action(s) shall include wage freeze, suspension, recovery, termination of employment contract/agreement etc., as may be decided by the Members of the Committee.

11. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy. In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

FORMAT FOR INTIMATION OF ACTUAL OR SUSPECTED LEAK OF UPSI TO THE STOCK EXCHANGES

To
BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001

Dear Sir / Madam,

Sub: Intimation of actual or suspected leak of UPSI pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or Any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully
For Velan Hotels Limited

Compliance Officer

Annexure D

FORMAT FOR REPORTING ACTUAL OR SUSPECTED LEAK OF UPSI TO THE SEBI

To,
Securities and Exchange Board of India
Plot No. C 4-A, G Block,
Near Bank of India, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

Dear Sir / Madam,

Sub: Report of actual or suspected leak of UPSI pursuant to regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015

Pursuant to Regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are reporting actual or suspected leak of Unpublished Price Sensitive Information (UPSI) of the Company, as follows;

Name of Offender, if known	
Name of Organization	
Designation (Employee, Insider, Designated Person or Any other)	
Nature of Information	
Whether any action initiated by the Company? If yes, narration of the same	Yes/No

Request you to kindly take the aforementioned on your records.

Thanking you,

Yours faithfully
For Velan Hotels Limited

Compliance Officer

**Agreement for Confidentiality and Non-dealing in
Velan Hotels Limited
(On Velan Letterhead)**

Date

To

Name of the institution/person
Address

Dear Sir,

We have agreed to appoint you as our advisor / consultant / collaborator /partner / bankers /auditor / merchant banker / customer / supplier / professionals / share transfer agent in respect of our business and in this connection would provide you from time to time various information related to Velan Hotels Limited (Velan) and/or its group, material subsidiary/ies and/or associate company/ies (hereinafter collectively referred to as "Velan Hotels Limited") which is not available to the general public or is proprietary in nature (such oral or written information and all copies of, extracts from, analysis and other materials based on, containing or otherwise reflecting such information shall herein be referred to as the "Information"). As a condition to you being furnished with any Information and as consideration for such, you (the "Recipient") agree as follows:

- (1) (a) Non-disclosure: Recipient recognizes and acknowledges the competitive value of the Information and the damage that could result from the disclosure thereof to third parties. Accordingly, Recipient agrees to keep the Information strictly confidential and Recipient will not, without the prior written consent of VELAN, disclose the Information to any third party in any manner whatsoever, in whole or in part, except that Recipient may disclose the Information to those of Recipient's directors, officers, employees, agents or other representatives (collectively, "Representatives") who (i) need to know the Information for the purpose for which the Recipient has been appointed (ii) have been informed of the confidential nature of the Information and (iii) have agreed in writing to keep the Information confidential and be bound by the terms of this Agreement as if they were parties hereto. Recipient agrees to be responsible for and to indemnify VELAN and its representatives against any breach by any of Recipient's Representatives of the matters referred to herein.

(b) Restrictions on Use: The Information will not, without the prior written consent of VELAN, be used by Recipient or its Representatives, directly or indirectly, for any purpose other than the purpose for which the Recipient has been appointed and such use shall absolutely cease at the request of VELAN. In addition, Recipient hereby acknowledges that Recipient is aware (and, if applicable, that Recipient's Representatives have been advised) that Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 ("PIT Regulations") prohibit any person, who has material non-public information about a company, from purchasing or selling securities of such company or from communicating such information to a third party under circumstances in which it is reasonably foreseeable that such third party is likely to purchase or sell such securities.

(c) Return of Information: Upon the request of VELAN, Recipient shall, and shall cause its Representatives to, promptly return all Information to VELAN, without retaining any copies, summaries or extracts thereof. In the event of such request, all documents, analysis, compilations, studies or other materials prepared by Recipient or its Representatives that contain or reflect Information shall be destroyed and no copy thereof shall be retained (such destruction to be confirmed in writing by a duly authorized officer of Recipient). Notwithstanding the return or destruction of the Information, Recipient and its Representatives shall continue to be bound by their obligations of confidentiality and other obligations hereunder. With respect to those portions of the Information that consist of analysis, compilations, studies or other materials prepared by Recipient or its Representatives, VELAN may, in its sole discretion, permit the retention of such Information for evidentiary purposes. Notwithstanding such retention, Recipient and its Representatives shall continue to be bound by their obligations of Confidentiality and other obligations hereunder.

For purpose of this Agreement, the term "Information" shall not include such portions of the Information that (i) are or become generally available to the public other than as a result of disclosure by Recipient or its Representatives, (ii) become available to Recipient on a non-confidential basis from a source not subject to a confidentiality obligation to VELAN, whether by contractual, legal or fiduciary obligation or otherwise or (iii) were, as evidenced by written records or other documentation satisfactory to VELAN, in Recipient's possession on a non-confidential basis prior to VELAN's disclosure to Recipient.

- (2) Without VELAN's prior written consent, Recipient shall not and Recipient shall cause each of its Representatives not to, directly or indirectly, alone or in concert with others deal in Securities of VELAN or encourage any third party to deal in Securities of Velan Hotels Limited. The term "Securities of VELAN" shall mean and include the equity shares of VELAN and such other securities issued by VELAN and listed on any recognized Stock Exchange. The term "deal" used herein shall mean to subscribe, buy, sell or agreeing to subscribe, buy, sell or deal, directly or indirectly, in Securities of VELAN by any person either as principal or agent.
- (3) In the event that Recipient or its Representatives are requested or become legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, investigative demand or similar process) to disclose any of the Information, Recipient and its Representatives will promptly provide VELAN with written notice so that VELAN may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or waiver, Recipient or its Representatives are, in the opinion of VELAN's counsel, legally compelled to disclose such Information to any tribunal or else, in the opinion of VELAN's counsel, stand liable for contempt or suffer other censure or penalty, Recipient or its Representatives will furnish only that portion of the Information which is legally required to be furnished and each will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded to such Information.
- (4) If the Recipient is a person who is required to handle unpublished price sensitive information relating to listed companies in the course of business operations, the Recipient undertakes to furnish a declaration to VELAN confirming that it has formulated and has in effect an internal code of conduct for governing dealing in securities as specified under regulation 9(2) read with Schedule C of the PIT Regulations.
- (5) If the Recipient does not have in effect a code of conduct as specified in clause 4 above, the Recipient agrees to furnish a list of all persons who will be allowed access to the Information, along with the following information regarding such persons:-

- (a) details of immediate relatives (as defined in the PIT Regulations) of such persons;
- (b) persons with whom such persons shares a material financial relationship (the term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions);
- (c) phone and mobile numbers used by such persons; and
- (d) their PAN (where PAN is not available, Aadhar / Passport copies or any other identifier authorized by law)
- (e) educational institutions from which designated persons have graduated; and names of their past employers.

Further, the Recipient agrees to keep VELAN informed of any changes to the information furnished above.

- (6) The Recipient hereby agrees that money damages could be only a part remedy for any breach or threatened breach of this Agreement by the Recipient or its Representatives. In addition to the money damages, VELAN shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief in the event of any such breach or threatened breach, in addition to all remedies available to VELAN at law or in equity. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that the Recipient has breached this Agreement, then the Recipient shall be liable and pay to the non-breaching Party the legal fees and expenses incurred by VELAN in connection with such litigation, including any appeals therefrom.
- (7) The Recipient further agrees to indemnify, defend, and hold harmless VELAN and its affiliates and all directors, officers, employees, agents, advisors or other representatives thereof (each an "Indemnified Person") from and against any losses, claims, damages or liabilities arising out of a breach or alleged breach of this Agreement and to reimburse each Indemnified Person for all costs and expenses (including counsel fees) incurred in connection therewith. Such indemnity agreement shall be in addition to any other liabilities that may be available to any Indemnified Person.

If you agree to the terms and conditions of this Agreement, please indicate your acceptance by signing and returning to the undersigned the duplicate copy of this Agreement.

Yours faithfully,
For Velan Hotels Limited

By:

Name:

Designation:

Agreed to as of the
dated first written above:

for _____ (name of the consultant/advisor) By:

_____ Name:

Designation:

PAN No. :